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Household Income and Wealth

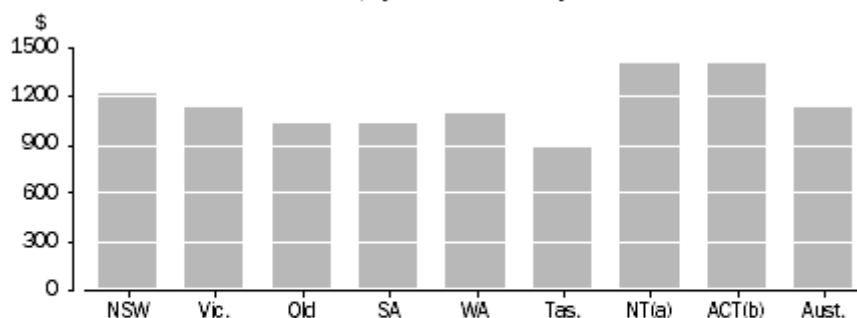
This article discusses recent ABS data analysis on household income and wealth in the ACT and Australia from the Bureau's Household Income and Income Distribution, Australia (cat. no. 6523.0) publication. Canberrans have among the highest average household incomes in the country, while the average wealth of Canberra households is just above the national average, but below that of Sydneysiders.

Comparison of household incomes between different population groupings can be done in terms of gross income or equivalised disposable income. Gross household income is measured from regular and reoccurring income, including a variety of sources (see Notes for further information). Equivalised disposable household income is essentially gross income adjusted for income tax and the Medicare levy and adjusted to take account of household composition.

Gross Household Income by State and Territory

The average mean national gross weekly income for 2003–04 was \$1,128. Average household income levels in the ACT and NT were the highest in Australia at around \$1,400 a week. The higher household income levels reflect in part the younger age profile of the ACT and NT. However, for the NT it reflects the exclusion from the results of the NT households in very remote districts or Indigenous Communities which, if included, would be likely to significantly reduce the mean household incomes in that territory. NSW has the third highest mean weekly household income of \$1,212.

MEAN WEEKLY HOUSEHOLD INCOME, by State and Territory—All Households—2003–04



(a) Households in collection districts defined as very remote or Indigenous communities were excluded, accounting for about 23% of the population in the NT.

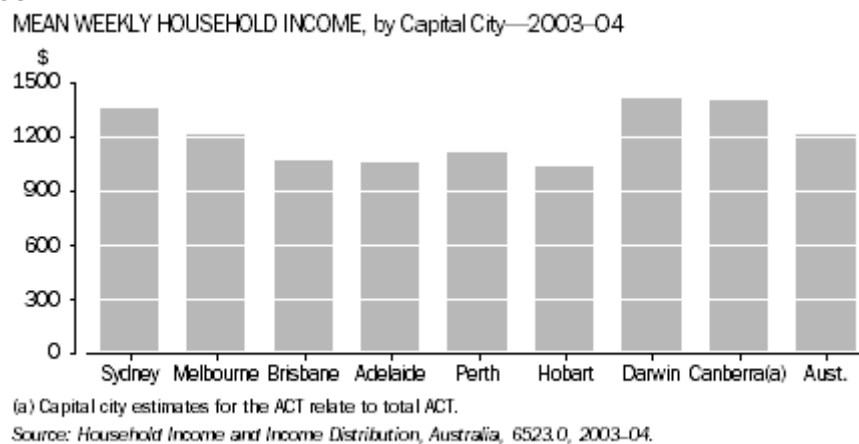
(b) As the balance of state is not available for the ACT, estimates are the same as those for Canberra.

Source: Household Income and Income Distribution, Australia, 6523.0, 2003–04.

Tasmania presented with the lowest average gross household income with \$897 per week. This was preceded by SA (\$1,033) and Qld (\$1,036).

Mean Weekly Household Income by Capital City

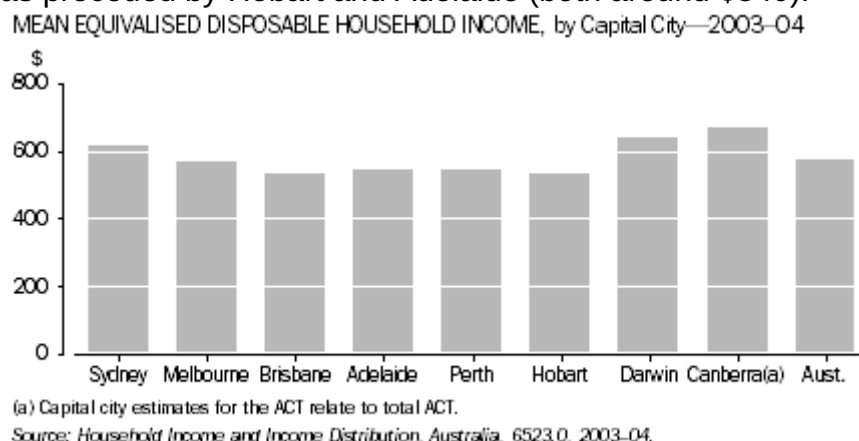
The ACT, as a city state, is different to the other States and Territories, and so it might be more informative to compare average household income levels in Canberra with those in the other capitals. Canberra and Darwin households both had average gross income of around \$1,400 per week. However, Sydney was a very close third with a mean weekly gross household income of \$1,360. Brisbane (\$1,070), Adelaide (\$1,060) and Hobart (\$1,040) reported the lowest mean household incomes.



Equivalised Disposable Household Income by Capital City

When researchers consider household income, they often talk about 'equivalised' income. Equivalising household income is a technique for adjusting household income to account for the fact that there are economies of scale in larger households and that adults usually have greater needs than children (two people sharing a house would each require less income to maintain the same standard of living as someone living in the same house alone, for example) (see Notes for further information).

When we look at equivalised disposable household, Canberra households had the highest average income of any capital city (\$670 per week), followed by Darwin (\$640) and Sydney (\$620). Brisbane had the lowest average equivalised disposable household income per week with \$530. This was preceded by Hobart and Adelaide (both around \$540).

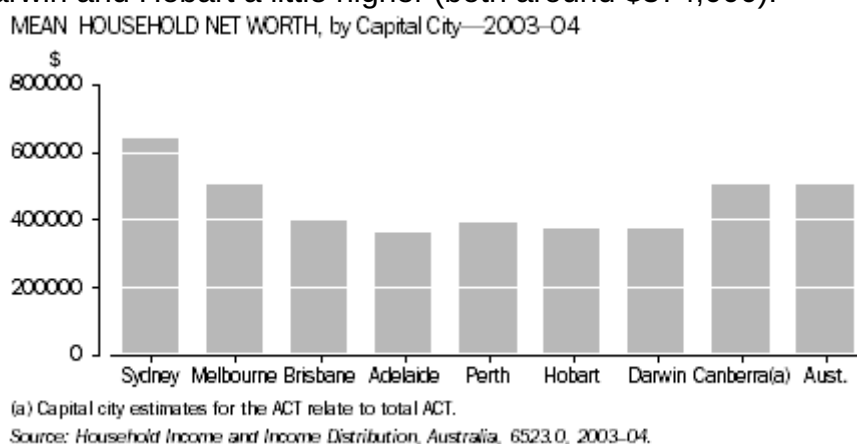


Mean Household Net Worth by Capital City

Household net worth is the value of a household's assets less the value of its liabilities, and is strongly influenced by the value of people's dwellings and their superannuation and savings (see

Notes for a full definition).

While Canberra households have the highest household incomes in Australia, they do not have the highest net worth. The mean net worth for Australian households in 2003–04 was \$503,000. Sydney had the highest net worth value per household with \$640,000, followed by Melbourne and Canberra (both around \$505,000). Adelaide had the lowest mean household net worth of \$362,000, with Darwin and Hobart a little higher (both around \$374,000).



Notes

All estimates used in this article are taken from the data collected in the 2003-04 Survey of Income and Housing (SIH).

Gross household income is defined as regular and recurring cash receipts from wages and salaries, profit/loss from own unincorporated business, investment income in the form of interest, rent and dividends, private transfers in the form of superannuation, child support, other transfers from other households, and cash transfers from government pensions and allowances.

Equivalised disposable household income facilitates the comparison of income levels between households of differing size and composition, reflecting the requirement of a larger household to have a higher level of income to achieve the same standard of living as a smaller household. Equivalised income is derived by calculating an equivalence factor for each household and then dividing income by the factor. The equivalised disposable income estimate for any household represents the amount of disposable cash income that a single person household would require to maintain the same standard of living as the household in question, regardless of the size or composition of the latter.

Household net worth, often referred to as wealth, is the value of a household's assets less the value of its liabilities. Assets can take many forms including:

- produced tangible fixed assets that are used repeatedly and for more than one year, such as dwellings and their contents, vehicles, and machinery and equipment used in businesses owned by households
- intangible fixed assets such as computer software and artistic originals
- business inventories of goods
- non-produce assets such as land
- financial assets such as bank deposits, shares, superannuation account balances, and the outstanding value of loans made to other households or businesses.

Liabilities are primarily the value of loans outstanding including mortgages, personal loans, credit

card debt and higher education contribution scheme debt.

To find out more about the ACT and ACT statistics see the [ACT Theme Page](#)

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